

Date: April 29, 2003

To: Chairman Randolph and Commissioners Downey, Karlan, Knox, and Swanson

From: Mark Krausse, Executive Director

EXECUTIVE DIRECTOR'S REPORT

This is a summary of administrative and division activity since the report sent to you prior to the May Commission meeting.

A. PERSONNEL/BUDGET

On April 1st, the Assembly Budget Subcommittee on State Administration approved funding the Commission at the level proposed in the Governor's January budget. Similarly, Subcommittee #4 of the Senate Committee on Budget and Fiscal Review will consider the Commission's budget on April 30th. I will report on the outcome of that hearing at the May Commission meeting.

With the approval of the Chairman's subcommittee on tribal litigation, I have submitted a letter to the Department of Finance withdrawing the Commission's request for a \$100,000 budget augmentation to fund the tribal litigation. Due to unanticipated mid-budget year accounting adjustments made by Finance, we were able to pay these costs without additional funding.

B. STAFF PROJECTS AND ACTIVITIES

The Public Education Unit has completed a review of the Commission's website to ensure that all postings have been approved for publication and are up-to-date. PEU is also nearing completion of the latest *Bulletin*, which will include the 2002 statistics and other elements of the Commission's Annual Report.

The Technical Assistance Division conducted an SEI filing officer seminar here at the Commission's offices, and provided filer's seminars for the California Air Resources Board, the Los Angeles Metropolitan Transit Authority, CSU Long Beach, and the Cities of Santa Rosa and El Monte. TA also conducted a political action committee reporting seminar for the California State Firefighters

Executive Director's Report – Page 2

April 29, 2003

Association.

Enforcement Division Chief Steven Russo attended a three-day meeting of the California District Attorneys' section on political corruption in mid-March. Mr. Russo reported strong attendance and an increased awareness of the provisions of the Political Reform Act. Also, Accounting Specialists Bill Marland and Luz Bonetti, under the direction of Chief Investigator Al Herndon, have completed the first audit of CalPERS candidates under statutes enacted three years ago.

The Legal Division's General Counsel Luisa Menchaca has been coordinating a staff effort to review forms translated into Spanish. This effort includes staff from both the Legal and Enforcement Divisions. Counsel Ken Glick and Deputy Attorney General Ted Prim will provide training in the Bagley-Keene Open Meeting Act and the Public Records Act to commission employees on April 30th.

C. CONFLICT OF INTEREST CODES/AMENDMENTS

I approved the following conflict-of-interest code amendments in March, 2003:

Sacramento Regional Transit District
Inland Empire Regional Composting Authority
Metropolitan Transportation Commission

D. FINDINGS OF PROBABLE CAUSE

Pursuant to regulation 18361, I have found evidence in the following cases sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that the following respondents committed or caused a violation of the Political Reform Act. **This finding of probable cause does not constitute a finding that a violation has actually occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding.**

Bedros Berberian, FPPC No. 02/122. On March 19, 2003, probable cause was found to believe that Respondent, as a member of the Planning Commission for the City of Montebello, failed to file a 2000 annual statement of economic interests by the April 2, 2001, due date, in violation of section 87200 of the Government Code.

Arturo Reyes and the Committee to Elect Arturo Reyes, FPPC No. 01/591. On March 14, 2003, probable cause was found to believe that Respondents failed to timely file pre-election campaign disclosure statements in violation of Government Code section 84200.8;

Executive Director's Report – Page 3

April 29, 2003

failed to timely file a semi-annual campaign disclosure statement in violation of section 84200; failed to establish a campaign bank account in violation of sections 85200 and 85201, for; failed to report campaign contributions on statements filed by Respondents in violation of section 84211; made a campaign expenditure not from a campaign bank account in violation of section 85201; and failed to maintain detailed records and accounts as were necessary to prepare campaign statements in violation of section 84104.

Dale Cumpston, FPPC No. 01/0339. On October 1, 2002, probable cause was found to believe that Respondent, as a member of the Building Inspection Board of Appeals for the County of Tehama, failed to file a 2000 annual statement of economic interests by the April 2, 2001 due date, in violation of Government Code section 87300.

Frederick Kosmo, FPPC No. 02/0234. On April 7, 2003, probable cause was found to believe that Respondent, as a designated employee of the California Apple Commission, failed to file an assuming office statement of economic interests by the July 31, 2001 due date, in violation of Government Code section 87300.

George Engasser, FPPC No. 02/0090. On April 7, 2003, probable cause was found to believe that Respondent, as a designated employee of the City of Oroville, failed to file a 2000 annual statement of economic interests by the April 2, 2001 due date, in violation of section 87300 of the Government Code.

David Williamson, FPPC No. 02/0404. On April 23, 2003, probable cause was found to believe that Respondent, as a Commissioner for the Energy Commission for the City of Berkeley, failed to file a 2001 annual statement of economic interests by the April 2, 2002 due date, in violation of Government Code section 87300.

Colin Flaherty, FPPC No. 99/783. On September 4, 2002, probable cause was found to believe that Respondent, owner of Flaherty Communications, a public relations firm in San Diego County, made campaign contributions in the name of other persons, in violation of Government Code sections 84301 and 84300(c) (36 counts), and failed to file semi-annual major donor statements, in violation of Government Code section 84200(b)(2 counts).

Executive Director's Report – Page 4

April 29, 2003

E. REQUESTS FOR EXTENTION OF COMMITTEE TERMINATION

Pursuant to regulation 18404.1, campaign committees facing termination by December 31, 2002, who desire an extension of that deadline must submit a request to the Executive Director by December 1, 2002. To date, I have responded to the following requests:

Mikels for State Senate (#990406). Request for extension granted based on candidate's progress toward debt retirement.

Neighbors for Rogers (#951897). This is the second request for an extension from this committee. The first requested extended the termination date to March 31, 2003. This request for an extension was granted based on candidate's progress toward debt retirement.